

FISCAL NOTE

Bill #: HB0377

Title: Prohibit use of certain traction sand

Primary

Sponsor: Allan Walters

Status: As introduced

Sponsor signature

Date

Dave Lewis, Budget Director

Date

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	\$14,007,012	\$4,013,750
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Department of Transportation:

1. Assumptions are based on conversations with three contractors who have provided sanding materials in the past and their expertise in crushing aggregates for sanding materials.
2. All three contractors indicated there are problems crushing materials to 1/8" diameter. They are not even sure it can be crushed. If the material can be crushed, the process would potentially cut production by half or more.
3. The amount of material required to maintain safe winter roadways is estimated to increase 25-30% due to the fact the material would be harder to place with consistency and would not remain on snow packed or icy roads. Material would easily be blown off the roadway by vehicle travel or wind. The additional materials could create run-off, stream siltation and require additional cleanup costs.
4. With a screen size of 1/8" diameter, if there is moisture in the materials the sand may not pass through the screens without first having to be dried to reduce the moisture content. Even material from existing reject piles may have to be dried first.

(continued)

5. Materials of the size proposed would be difficult to keep from freezing in stockpiles. Currently, the department mixes salt with sand in sand piles to prevent the sand from freezing solid. Salt would be difficult to introduce into the smaller sand during the production process.
6. There would be tons of rejected materials that would not fall within the specification. All of the rejected materials would have to be disposed of either through pit reclamation or hauled to another site.
7. Crushing sanding materials of this size, if it can be done, would double or triple the costs. Costs would increase from \$5-\$7 per ton to \$14-\$17 per ton.
8. Cost of re-screening current materials reject piles would be \$6-\$9 per ton -- double or triple the current costs.
9. The department currently has 1,332,435 tons (888,290 cubic yards) of sanding materials that would have to be re-screened to meet the specifications in the act.
10. The department annually purchases 300,000 – 350,000 tons of sanding materials. The quantity is anticipated to increase 25-30% over current usage due to anticipated increased application rates.
11. It may not be cost effective to re-screen current materials due to location and quantities. Any materials that could not be re-screened would have to be replaced. The cost to purchase replacement materials that could not be re-screened is not known and is not included. Sand materials in stock not meeting specifications are unusable for any other activities.
12. The majority of all sanding materials would be crushed fines. All natural and some crushed fines do not have durability and will breakdown easily. Material breakdown can add to air quality problems. There are currently ten PM-10 non-attainment areas in the state and seven more that are at “high risk”. Adding additional fine dust from roadway sanding could add to air quality problems resulting in communities not meeting air quality standards.
13. Areas of non-attainment that are under voluntary restrictions and “high risk” areas could potentially be forced into mandatory compliance. Non-compliance would require a study to determine what are the sources contributing to the air quality problem. In other studies, sources include but not limited to, road dust, industrial sources, wood smoke, etc. Under mandatory compliance, industrial production and use of wood burning stoves can be reduced to meet air quality.

Montana Association of Counties:

14. There would be some increased costs to local governments, but those costs are indeterminable at this time.

FISCAL IMPACT:

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$14,007,012	\$4,013,750
<u>Funding:</u>		
State Special Revenue (02)	\$14,007,012	\$4,013,750
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$14,007,012)	(\$4,013,750)

LONG-RANGE IMPACTS:

There would be increased costs to the highway state special revenue account exceeding \$4 million annually.